

1 *Attorney list on signature page*

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7 IN THE UNITED STATES DISTRICT COURT  
8 NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION

9 RAMBUS, INC.,

10 Plaintiff.

11 v.

12 HYNIX SEMICONDUCTOR INC., HYNIX  
13 SEMICONDUCTOR AMERICA INC., HYNIX  
14 SEMICONDUCTOR MANUFACTURING  
15 AMERICA INC.,

16 SAMSUNG ELECTRONICS CO., LTD.,  
17 SAMSUNG ELECTRONICS AMERICA, INC.,  
18 SAMSUNG SEMICONDUCTOR, INC.,  
19 SAMSUNG AUSTIN SEMICONDUCTOR,  
20 L.P.,

21 NANYA TECHNOLOGY CORPORATION,  
22 NANYA TECHNOLOGY CORPORATION  
23 U.S.A.,

24 Defendants.

25 RAMBUS, INC.,

26 Plaintiff.

27 v.

28 SAMSUNG ELECTRONICS CO., LTD.,  
SAMSUNG ELECTRONICS AMERICA, INC.,  
SAMSUNG SEMICONDUCTOR, INC.,  
SAMSUNG AUSTIN SEMICONDUCTOR,  
L.P.,

Defendants.

Case No. C 05-00334 RMW

**SAMSUNG'S OBJECTIONS TO  
SPECIAL MASTER'S ORDER ON  
IMPLIED WAIVER OF WORK-  
PRODUCT AND ATTORNEY-CLIENT  
PRIVILEGES**

Date: November 7, 2007  
Time: 2:00 p.m.  
Location: Courtroom 6  
Judge: Hon. Ronald M. Whyte

Case No. C 05-02298 RMW

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## INTRODUCTION

Samsung brings these objections to the Special Master's order compelling production of privileged documents. Despite the fact that discovery is not focused yet on Samsung's claims related to Neil Stenberg because any trial of those claims could not occur before late 2009 (and the parties have a conduct trial and a patent-infringement trial to prepare for in the interim), the Special Master held, without any supporting analysis, that Samsung implicitly waived any attorney-client and work-product protections for all materials regarding: (1) Samsung's knowledge of the work Steinberg did for Rambus; and (2) the work that Steinberg performed while at Samsung that purportedly gave him access to confidential information that Samsung claims was taken and misused. *See Rambus v. Hynix Semiconductor, Inc., et al.*, Nos. C 05-00334 RMW, C 05-002298 RMW, C 06-00244 RMW, Order at 17 (Sept. 26, 2007) (Ambler, J.) (attached as Ex. A) ("Order"). The Order is based on several significant and erroneous legal conclusions that require this Court's resolution.

The Order erroneously deemed Samsung's mere assertion of equitable tolling and the discovery rule as placing Samsung's subjective knowledge regarding Steinberg's work at Rambus and Steinberg's work at Samsung at issue and triggering an implied waiver despite the absence of any indication at this point of how specifically Samsung will support its Steinberg-related claims or tolling contentions. The Order committed further legal error by ignoring the objective standard that governs the equitable tolling and discovery doctrines in finding an implied waiver in relation to Samsung's subjective knowledge about Steinberg's work for Rambus. The Order also fundamentally erred in citing an inapplicable relevance standard and failing to justify its holding with analysis of how the privileged information is "vital" to Rambus's defenses. Lastly, the Order fails to abide by the case law's direction that any implied waiver must be narrowly tailored to maintain as much privilege as possible and instead wholesale orders that the privileges were waived for all requested documents.

## BACKGROUND

### I. SAMSUNG'S ALLEGATIONS REGARDING NEIL STEINBERG AND THE PARTIES' DISAGREEMENT ABOUT DISCOVERY OF PRIVILEGED STEINBERG MATERIALS

#### A. Samsung's Counterclaims and Affirmative Defenses Relating to Conduct of Neil Steinberg

In the *Rambus v. Samsung* (the "2298 action") and *Rambus v. Hynix* (the "334 action") cases, Samsung alleges that Rambus aided and abetted Neil Steinberg's breach of fiduciary and contractual duties to Samsung and intentionally interfered with Steinberg's employment contract with Samsung. Samsung's 2nd Am. Answer to Compl. for Patent Infringement and Jury Demand and Affirm. Defs. and Countercls., ¶¶ 99-108, 206, 212, 242, 243, Case No. 05-cv-02298 ("SAC").<sup>1</sup> In support of these claims, Samsung alleges that Rambus secretly engaged Steinberg to work for Rambus as an outside attorney, providing legal advice and strategies for the enforcement of legal claims, including patent claims against DRAM manufacturers such as Samsung. *Id.* at ¶ 100. Samsung alleges that Rambus knew that Steinberg was employed as in-house counsel for Samsung, but despite Steinberg's ethical and contractual duties to Samsung, Steinberg, actively worked to help Rambus extract royalties from manufacturers of DRAM, including Samsung, by planning patent prosecution strategies (including drafting patent applications), patent enforcement strategies, and document handling and retention strategies for use in litigation. *Id.* at ¶ 102. Samsung alleges that Steinberg improperly used confidential and proprietary information about Samsung's business and DRAM products in his work for Rambus, when he was under a contractual and fiduciary duty not to use or disclose such information. *Id.*

In response to Rambus's assertion that these two claims are barred by the statutes of limitations, Samsung argued that its counterclaims were tolled by the equitable tolling doctrine and discovery rule based on the fact that Samsung did not fully understand and was misled about

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<sup>1</sup> Samsung's counterclaims involving Steinberg are identical in the two actions and the discovery at issue was propounded in both actions. See Order at 2 n.2. Only the 2298 SAC is cited in this brief.



1 the scope and nature of Steinberg's work for Rambus until March of 2005, when it was revealed  
 2 for the first time during the trial of *Rambus v. Infineon* in the U.S. District Court for the Eastern  
 3 District of Virginia. Samsung thus had no basis for investigating or pursuing potential claims  
 4 involving Steinberg's conduct before that time. *See, e.g.*, SAC at ¶¶ 217, 219, 235, 237, 252,  
 5 254, 264, 267. In addition, although Samsung knew by October 2000 that Steinberg was  
 6 working for Rambus and that Rambus had initiated litigation against other DRAM manufacturers,  
 7 Samsung had no reason to be alarmed by this information because it "continued to enjoy a  
 8 friendly and profitable business alliance with Rambus, leaving Samsung no reason to suspect that  
 9 Mr. Steinberg had any improper involvement with Rambus's preparations for these litigations."  
 10 *Id.* at ¶¶ 219, 237, 254. Samsung did not know until 2005 (and had no reason to believe until  
 11 that time) that Steinberg's work for Rambus included "actively working to help Rambus plan  
 12 patent prosecution and enforcement strategies against DRAM manufacturers including Samsung."  
 13 *Id.* at ¶¶ 217, 235, 252.

14 In March 2007, Rambus moved to dismiss Samsung's Steinberg-related claims on  
 15 limitations grounds, arguing that the discovery rule and equitable tolling doctrine are inapplicable  
 16 because Samsung had sufficient information about Steinberg's work for Rambus to be on inquiry  
 17 notice of its claims by no later than October of 2000. *See* Rambus's Mem., Rambus' Mot. to  
 18 Dismiss "Counts IV–VII" of Samsung's SAC (Mar. 23, 2007); Hearing Tr. May 24, 2007.

#### 19 **B. The Discovery Requests at Issue**

20 In March 2007, Rambus propounded its third set of requests for production of documents,  
 21 which included requests that Samsung produce all documents relating to: (1) Rambus's retention  
 22 or employment of Steinberg; (2) any work of any kind performed by or to be performed by  
 23 Steinberg for Rambus; and (3) Samsung's analysis and/or business decision regarding whether to  
 24 object to Steinberg's representation of Rambus before or during 2000 and 2001 license  
 25 negotiations. *See* Rambus's Third Requests for Production of Documents. Requests 103, 108,  
 26 122 (Mar. 12, 2007) (attached as Goldstein Decl. Ex. B). Rambus also sought production of all  
 27 documents relating to: (1) any work Steinberg performed while employed by Samsung that gave  
 28

1 him access to confidential, proprietary or privileged information that Samsung claims or alleges  
 2 Steinberg may have used improperly in his work for Rambus; (2) the confidential and sensitive  
 3 information about DRAM products, including SDRAM and DDR SDRAM that were still in  
 4 development at Samsung and to which Steinberg had access while at Samsung; (3) the  
 5 confidential information about invention and innovations that Samsung included in its DRAM  
 6 products and to which Steinberg had access while at Samsung; (4) Steinberg's work prosecuting  
 7 Samsung DRAM patents; and (5) Samsung's then-future development plans for DRAM products  
 8 to which Steinberg had access through his use of product roadmaps in discovery in litigation and  
 9 patent licensing endeavors, as alleged in Samsung's answer and counterclaims. *Id.*, Requests  
 10 100, 113-16.

11 Samsung agreed to produce all responsive, non-privileged documents. Order at 6.  
 12 Samsung's privilege log includes 318 documents. *See* Samsung's Third Revised Log of  
 13 Privileged Documents (attached as Goldstein Decl. Ex. C). In June 2007, after the stay of the  
 14 2298 and 334 actions was lifted and discovery proceeded, Rambus raised its privilege waiver  
 15 claim. During a meet and confer, Samsung's counsel rejected Rambus's implied-waiver theory  
 16 and stated that Samsung would not produce privileged documents on these topics without a court  
 17 order. Order at 7. Rambus subsequently filed a Motion to Compel these categories of  
 18 documents.

19 **II. THE SPECIAL MASTER HELD THAT SAMSUNG IMPLICITLY WAIVED THE ATTORNEY-  
 20 CLIENT AND WORK-PRODUCT PROTECTIONS AND ORDERED THAT ALL THE  
 21 PRIVILEGED DOCUMENTS REQUESTED BY RAMBUS BE PRODUCED.**

22 Following a hearing, the Special Master held, with no analysis, that Samsung implicitly  
 23 waived the attorney-client and work-product protections for the broad categories of materials  
 24 sought by Rambus. Those categories consist of all materials regarding: (1) Samsung's  
 25 knowledge of the work Steinberg did for Rambus; and (2) the work that Steinberg performed  
 26 while at Samsung that gave him access to confidential information that Samsung claims was  
 27 taken and misused.

28 The decision relies on a multi-factor test recognized by the Ninth Circuit, which finds an



1 implied waiver when: (1) a party asserts privilege as the result of some affirmative act; (2)  
2 through the affirmative act, the party puts the privileged information at issue; and (3) allowing the  
3 privilege would deny the opposing party access to information vital to its defense. Order at 10,  
4 13. An “overarching consideration” is whether allowing the privilege to prevent disclosure  
5 would be “manifestly unfair” to the requesting party. *Id.* at 10.

6 With regard to materials concerning what Samsung knew about Steinberg’s work at  
7 Rambus, the Special Master conclusorily held—in a single paragraph—that an implied waiver  
8 occurred because: (1) Samsung’s assertion of the discovery rule and equitable tolling doctrine  
9 placed at issue Samsung’s knowledge about Steinberg’s work at Rambus, and Samsung’s  
10 allegation that it did not and could not investigate until 2005 placed at issue the timing and scope  
11 of its investigation; (2) Samsung’s knowledge of Steinberg’s work at Rambus is relevant; (3)  
12 allowing Samsung to assert the privilege would deny Rambus access to information vital to its  
13 defense; and (4) fairness requires disclosure. Order at 15.

14 With regard to materials concerning Steinberg’s work at Samsung, the Special Master  
15 conclusorily held—again, in only one paragraph—that an implied waiver occurred because: (1)  
16 Samsung’s assertions, as a basis for its fiduciary and contractual-duty claims, that Steinberg’s  
17 legal work at Samsung gave him confidential information that he misused at Rambus places at  
18 issue the specific nature of Steinberg’s work at Samsung and whether it gave him access to  
19 confidential Samsung information that was useful to Rambus; (2) the information is relevant to  
20 Samsung’s claims; (3) access to the information is “vital” to Rambus’s defense; and (4) fairness  
21 requires disclosure. Order at 16.

22 In neither instance did the Special Master provide any analysis of why the privileged  
23 information is vital to Rambus explain how relevance is part of the implied-waiver determination,  
24 address possible alternative sources of information, or substantiate the identified unfairness.  
25 The Order also failed to address in any way the fact that Rambus has contended in this litigation  
26 that information about Samsung’s subjective knowledge of Steinberg’s work for Rambus is  
27 irrelevant to Samsung’s tolling and discovery-rule contentions. Similarly, despite recognizing  
28

1 the case law's established principle that any implied waiver must be limited, the Special Master  
2 failed to conduct any type of narrowing analysis or request *in camera* review to carefully limit the  
3 scope of the implied waiver, but instead wholesale ordered all the documents produced.

4 The Special Master granted Rambus's motion to compel the production of "any and all  
5 documents in its possession, custody or control that discuss, refer, or relate to: (a) Mr. Steinberg's  
6 work for Rambus; and (b) the work Mr. Steinberg performed for Samsung that purportedly gave  
7 him access to the information Samsung claims he later misused at Rambus," and ordered  
8 Samsung to produce all privileged documents within those categories. Order at 17.<sup>2</sup>

#### 9 STANDARD OF REVIEW

10 Under Federal Rule of Civil Procedure 53, absent a contrary stipulation by the parties, the  
11 Court reviews a special master's findings of fact de novo. See FED. R. CIV. P. 53(g)(3); 9 JAMES  
12 WM. MOORE, ET AL., MOORE'S FEDERAL PRACTICE § 53.42[1] (3d ed. 1997). As evidenced in  
13 the Joint Case Management Order in this case, however, the Court adopted the clearly erroneous  
14 standard of review for the Special Master's factual determinations. See Jt. Case Mgmt. Order  
15 § 2(c) (April 24, 2007) ("Pursuant to the Federal Rules of Civil Procedure dealing with review of  
16 magistrate judges' orders, decisions of the Special Master shall be reviewable by the court only if  
17 clearly erroneous or contrary to law or upon a request by the Special Master for review of a  
18 particular issue or ruling.").

19 A Special Master's conclusions of law, by contrast, receive no deference and are reviewed  
20 by the Court on a de novo basis. See e.g., *Swoboda v. Pala Mining, Inc.*, 844 F.2d 654, 656 (9th  
21 Cir. 1988); FED. R. CIV. P. 53(g)(4) ("The court must decide de novo all objections to conclusions  
22 of law made or recommended by a master."); Jt. Case Mgmt. Order § 2(c) (explaining that district  
23 court may sustain objections for errors that are "contrary to law").

#### 24 ARGUMENT

25 The objections should be sustained because the Special Master erred as a matter of law in  
26

27 <sup>2</sup> The Special Master set a compliance date of October 5, 2007, Order at 17, but subsequently  
28 granted a stay of the compliance date. See Ex. D at 2-3 (stay order).

1 allowing the mere pleading of equitable tolling and the discovery rule to trigger an expansive  
 2 implied waiver. Given the stage of the proceedings in relation to the Steinberg-related claims—  
 3 claims that will not be tried until late 2009 at the earliest—a proper assessment of implied waiver  
 4 is simply not possible and should not have been undertaken. Moreover, the Special Master’s  
 5 decision failed to address the governing objective standard for Samsung’s tolling and discovery-  
 6 rule assertions and contrary to that standard, presumed that Samsung’s subjective knowledge is  
 7 “at issue” in the litigation. The Order is also reversible because it lacked the necessary  
 8 substantiating analysis that the privileged documents are “vital” to Rambus’s defenses and  
 9 fundamentally erred by failing to even attempt to conform to the case law’s requirement that any  
 10 implied waiver be narrowly devised. Relying only a conclusory recitation of the elements of  
 11 implied waiver, the Order fails to include the necessary basis for recognizing an implied waiver.

12 **I. THE SPECIAL MASTER ERRED BY HOLDING THAT THE MERE ASSERTION OF**  
 13 **EQUITABLE TOLLING AND THE DISCOVERY RULE JUSTIFIED AN IMPLIED WAIVER.**

14 The Special Master erred as a matter of law in holding that by pleading equitable tolling  
 15 and the discovery rule in connection with its counterclaims, Samsung implicitly waived its  
 16 privileges. Merely raising a claim or a defense does not implicitly waive privilege, and the  
 17 Special Master’s finding of an implied waiver is simply premature. The Steinberg-related  
 18 claims will not be tried in the January 2008 Conduct Trial. *See* Jt. Case Mgmt. Conf. Statement,  
 19 at 5, 6-7 & Attach. 4 (July 31, 2007) (excerpts attached as Ex. E); Jt. Case Mgmt. Order, Attachs.  
 20 A & D (April 24, 2007). The earliest that the claims could be tried is at a trial to be set *after* the  
 21 Patent Trial, currently scheduled for January 2009. *See* Further Case Mgmt. Order, at 5 (June  
 22 27, 2007). Accordingly, it is an illogical sequence of events to determine any implied waiver  
 23 prior to at least the completion of discovery for the conduct trial, the end of the conduct trial, the  
 24 issuance of the Court’s claim construction decisions, the scheduling of a trial on Samsung’s  
 25 unique claims (including claims Involving Rambus’ hiring of Steinberg), and the parties’  
 26 commencement of discovery focused on the Steinberg-related claims. The logic of waiting until  
 27 as least these events have occurred is illustrated by this Court’s patent rules which provide that  
 28 the waiver of privilege with regard to a defense to a claim of willful infringement will not be

1 addressed until 50 days after the Court's claim-construction decision. *See* N.D. CAL. PATENT  
2 LOC. R. 3-8.

3 Based solely on Samsung's amended counterclaims, the Special Master found a complete  
4 waiver of attorney-client and work-product protections in the two broad Steinberg-related  
5 categories covered by the Order. Yet Samsung has not yet crystallized—at this premature stage  
6 of a case that has not yet even been set for trial—the theory of its case, including what evidence  
7 and legal theories it plans to rely on to try its Steinberg-related counterclaims. Until it does, the  
8 need for, and accordingly the scope of any waiver cannot be defined. An analysis of the  
9 elements of any implied waiver is not yet possible because it is not yet clear, for example, what  
10 Samsung will put “at issue,” nor what particular evidence might be “vital” to Rambus's defense.  
11 The privilege-holder must have taken some affirmative step to place the content of the  
12 confidential communication into the litigation. *See, e.g., In re Lott*, 424 F.3d 446, 455 (6th Cir.  
13 2005) (“It is important to cabin the implied waiver of privileges to instances where the holder of  
14 the privilege has taken some affirmative step to place the content of the confidential  
15 communication into the litigation.”); *Home Indem. Co. v. Lane Powell Moss & Miller*, 43 F.3d  
16 1322, 1327 (9th Cir. 1995) (concluding that privilege-holder “did not impliedly waive its  
17 attorney-client privilege because [it] did not put into issue its privileged communications”);  
18 *Beneficial Franchise Co., Inc. v. Bank One, N.A.*, 205 F.R.D. 212, 217 (N.D. Ill. 2001) (rejecting  
19 argument that pleading equitable estoppel waived privilege, explaining that waiver occurs only  
20 when “a party chooses to utilize privileged information to advance a claim or defense”). No  
21 such affirmative steps have been taken yet in this case and could not have been, given that the  
22 litigation is still in the pretrial discovery phase for the conduct trial and that a patent-infringement  
23 trial must also be conducted before any trial of the Steinberg-related claims will be set.  
24 Ordering privileged materials to be turned over any time equitable tolling or the discovery rule is  
25 asserted would render the privilege meaningless for all litigation involving tolling.

26 The “implied waiver” doctrine is a narrow exception to attorney-client privilege that is  
27 premised on the privilege's limited purpose as a “shield,” and prohibition on use of the privilege  
28

as a “sword.” *See, e.g., United States v. Amlani*, 169 F.3d 1189, 1195 (9th Cir. 1999) (citations omitted). This exception only applies when the privilege-holder raises an issue (claim or defense) that necessarily implicates privileged communications. *See, e.g., Garcia v. Zenith Elecs. Corp.*, 58 F.3d 1171, 1175 n.1 (7th Cir. 1995) (waiver “when the client asserts claims or defenses that put his attorney’s advice at issue in the litigation”); *Conkling v. Turner* 883 F.2d 431, 434 (5th Cir. 1989) (explaining that waiver depends on privilege-holder “plac[ing] information protected by it in issue through some affirmative act for his own benefit”) (internal quotation marks and citation omitted). Indeed, courts have routinely distinguished between situations in which the privilege-holder relies upon the advice of counsel and those in which communications are merely *relevant* to the case. *See, e.g., In re Burlington N., Inc.*, 822 F.2d 518, 533 (5th Cir. 1987) (rejecting waiver because party did not explicitly rely on privileged communication); *In re Kidder Peabody Secs. Litig.*, 168 F.R.D. 459, 470 (S.D.N.Y. 1996) (“The quintessential example is the defendant who asserts an advice-of-counsel defense and is thereby deemed to have waived his privilege with respect to the advice that he received.”).<sup>3</sup> Relying on Samsung’s mere pleading, the Special Master failed to justify implied waiver with any analysis of how the privileged materials at issue were invoked or used as a “sword” by Samsung.

The Special Master’s fundamental error is further demonstrated by the wholesale nature of the deemed waiver’s scope. It is beyond doubt that implied waivers must be construed cautiously and tailored for the particular privileged material relevant to the specific claim or defense, and that the calibration of any implied waiver must be made with great regard for the

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<sup>3</sup> Decisions recognizing an implied waiver do so when communications with counsel support a claim or defense. *See, e.g., Conkling*, 883 F.2d at 434-35 (waiver because plaintiff alleged limitations period tolled until attorney discovered fraudulent inducement); *Durkin v. Shields (In re Imperial Corp. of Am.)*, 179 F.R.D. 286, 288, 289-90 (S.D. Cal. 1998) (waiver when plaintiff relied on attorney’s advice and investigation in asserting limitations bar); *Russell v. Curtin Matheson Scientific, Inc.*, 493 F.Supp. 456, 457-58 (S.D. Tex. 1980) (waiver after plaintiffs invoked tolling and testified that they discussed claims with attorney prior to suing); *Am. Standard, Inc. v. Bendix Corp.*, 80 F.R.D. 706, 709 (W.D. Mo. 1978) (waiver when plaintiff asserted that counsel discovered and communicated fraud after limitations period); *Titan Corp. v. M/A-Com, Inc.*, No. 93-CV-335, 1994 WL 16001739, at \*3 (S.D. Cal. June 22, 1994) (waiver when plaintiffs relied on counsel’s investigation of claim to overcome limitations).



1 rationale of the attorney-client privilege. *See Bittaker v. Woodford*, 331 F.3d 715, 720 (9th Cir.  
 2 2003) (courts “must impose a waiver no broader than needed to ensure the fairness of the  
 3 proceedings before it.”); *In re Grand Jury Proceedings*, 219 F.3d 175, 186 (2d Cir. 2000)  
 4 (explaining that courts should be cautious about finding implied waivers).<sup>4</sup> Claims of implied  
 5 waiver must be evaluated in light of fairness and the analysis “demands a fastidious sifting of the  
 6 facts and a careful weighing of the circumstances.” *In re Keeper of Records (Grand Jury*  
 7 *Subpoena Addressed to XYZ Corp.)*, 348 F.3d 16, 23 (1st Cir. 2003) (“Considering the need for  
 8 this precise, fact-specific tamisage, it is not surprising that the case law reveals few genuine  
 9 instances of implied waiver.” (citing 8 JOHN HENRY WIGMORE, EVIDENCE § 2327, at 635 (1961))).  
 10 An implied waiver analysis is fact-intensive and based on a case-by-case standard of fairness.  
 11 *See In re Grand Jury Proceedings*, 219 F.3d at 183, 185 (stating that whether fairness requires a  
 12 waiver is determined on a case-by-case basis with focus on “specific context in which the  
 13 privilege is asserted”); *United States v. Billmyer*, 57 F.3d 31, 37 (1st Cir. 1995) (“Waiver doctrine  
 14 has only a few hardedged rules; as to many permutations, it is a fluid body of precedent reflecting  
 15 a variety of concerns, including an insistence on real confidentiality and limitations based on  
 16 fairness.”).

17  
 18  
 19 Such a measured, fact-intensive, implied-waiver analysis is simply impossible at this point  
 20 and even if the Special Master had engaged in the level of analysis required to find an implied  
 21 waiver, it should not have been undertaken at this premature stage of the case. It is not yet clear  
 22 what evidence and contentions Samsung’s Steinberg-related claims will advance, and until that  
 23

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24 <sup>4</sup> *See also Kerr v. United States Dist. Court*, 426 U.S. 394, 405 (1976) (recognizing the need to  
 25 ensure that the “balance between petitioners’ claim[] of privilege and plaintiffs’ asserted need for  
 26 the documents is correctly struck”); *United States v. Amlani*, 169 F.3d 1189, 1196 (9th Cir. 1999)  
 27 (holding that “only those documents or portions of documents relating to the [claim asserted by  
 28 the client] [should be] disclosed”); *Greater Newburyport Clamshell Alliance v. Pub. Serv. Co.*,  
 838 F.2d 13, 22 (1st Cir.1988) (holding that the client need reveal only information “for which  
 defendants have so far shown a true need and without which they may be unfairly prejudiced in  
 their defense”).



evidence and argument becomes clear—and that process will begin as the Steinberg-focused discovery commences—no valid evaluation of implied waiver or fashioning of a proportionate waiver can occur. Of course, Samsung cannot be required to articulate its theory or marshal its evidence regarding its Steinberg-related claims at this point. Samsung is entitled to discovery regarding Steinberg’s and Rambus’s wrongful acts. And until Samsung can determine the scope of those wrongful acts, and develop the parameters of its claims, any implied waiver cannot be considered. The Special Master could not, and should not, have decided that an implied waiver occurred at this stage of the litigation.

The Special Master’s underlying legal error requires reversal. *See, e.g., LG.Philips LCD Co. v. Tatung Co.*, 243 F.R.D. 133, 137-39 (D. Del. 2007) (reversing discovery order by Special Master after concluding that underlying legal conclusion that advice of counsel was an “affirmative defense” under Rule 8(c) was wrong); *White v. Nat’l Football League*, 92 F.Supp.2d 918, 926 (D. Minn. 2000) (deciding that Special Master’s underlying premise regarding regulatory authority was erroneous and reversing dismissal of certain parties from proceeding). The Court should sustain the objections and vacate the Order.

## **II. THE GOVERNING OBJECTIVE STANDARD FOR EQUITABLE TOLLING AND THE DISCOVERY RULE MAKES SAMSUNG’S SUBJECTIVE KNOWLEDGE IRRELEVANT.**

The Order should also be reversed as it relates to production of privileged documents concerning Samsung’s knowledge about the nature of Steinberg’s work for Rambus. The determination of what was “at issue” erroneously failed to consider that an objective standard governs resolution of Samsung’s equitable tolling and discovery-rule assertions, making Samsung’s subjective knowledge about the work that Steinberg was performing for Rambus irrelevant. Indeed, Rambus argued in its motion to dismiss Samsung’s counterclaims that the equitable tolling and discovery doctrines turn on notice inquiry, which is to be assessed according to an objective reasonable-person standard, and not a subjective standard. *See* Rambus’s Mem.,

1 Rambus' Mot. to Dismiss "Counts IV-VII" of Samsung's SAC, at 7-8 (Mar. 23, 2007)  
 2 ("Samsung's allegations that it did not actually believe Rambus or Steinberg had engaged in  
 3 wrongdoing until it purportedly learned about dual employment allegations for the first time in  
 4 the 2005 *Infineon* trial are *irrelevant*. The notice rule is based on an *objective standard*, not on  
 5 Plaintiff's alleged subjective beliefs.") (citing cases) (emphasis added) (excerpt attached as Ex.  
 6 F). Samsung's subjective knowledge regarding Steinberg's work for Rambus is, by Rambus's  
 7 own assertions in this litigation, "*irrelevant*" because "the inquiry notice rule applies an  
 8 'objective reasonable person' standard" precisely to avoid disputes about subjective state of  
 9 mind." Rambus's Reply in Supp. of Its Mot. to Dismiss, at 1, *Rambus, Inc. v. Samsung Elecs.*  
 10 *Co., Ltd.*, No. 05-02298-RMW (N.D. Cal. May 11, 2007) (emphasis added) (excerpt attached as  
 11 Ex. G). Moreover, despite Rambus fully briefing and arguing earlier this year its Motion to  
 12 Dismiss based on the purported unavailability of the equitable tolling and discovery doctrines,  
 13 Rambus never complained then, or at any time prior to its motion to compel, that it needed  
 14 privileged documents to defend against Samsung's counterclaims or for the Court to resolve the  
 15 applicability of the equitable tolling and discovery doctrines.

16 Because the governing objective standard does not consider subjective knowledge,  
 17 Samsung's subjective knowledge is not "at issue" as a matter of law and cannot serve as a basis  
 18 for an implied waiver. The Special Master committed reversible legal error in failing to  
 19 consider the governing law when determining the matters "at issue" for purposes of deciding if an  
 20 implied waiver occurred. *See, e.g., Aloe Vera of Am., Inc. v. United States*, No. CV 99-1794-  
 21 PHX-JAT, 2003 WL 22429082, at \*6 (D. Ariz. Sept. 23, 2003) (holding that because discovery  
 22 doctrine turns on an *objective* test of plaintiffs' diligence, plaintiffs' counsel's "*actual opinions*"  
 23 were "not relevant to the essential question of what *facts* relating to the alleged disclosures  
 24 Plaintiffs' counsel possessed that were not otherwise provided by Defendant, what similar  
 25 counsel exercising reasonable diligence would have concluded from such facts, and when counsel  
 26 arrived at a conclusion and may have communicated it to Plaintiffs"); *Advertising to Women, Inc.*  
 27 *v. Gianni Versace S.p.A.*, No. 98 C 1553, 1999 WL 608711, at \*6 (N.D. Ill. Aug. 4, 1999)  
 28

(rejecting waiver for privileged protection for communications with counsel because defense of laches “does not require an inquiry into defendant’s state of mind”). The Special Master should have considered the governing objective standard and concluded that Samsung’s subjective knowledge regarding the nature of Steinberg’s work for Rambus is irrelevant to the resolution of Samsung’s invocation of equitable tolling and the discovery doctrine. The objections should be sustained for this reason as well.

**III. THE SPECIAL MASTER ERRED BY RELYING ON RELEVANCE—A STANDARD THAT DOES NOT GOVERN THE IMPLIED-WAIVER DOCTRINE—AND FAILING TO JUSTIFY AN IMPLIED WAIVER WITH HOW THE PRIVILEGED MATERIALS ARE VITAL TO RAMBUS’S DEFENSES.**

The Special Master erred by relying on the purported relevance of the privileged materials requested to conclude that an implied waiver had occurred. *See* Order at 15 (“The knowledge of Samsung and its attorneys regarding Steinberg’s work at Rambus is *relevant* to Samsung’s tolling and discovery rule assertions.”) (emphasis added); *id.* at 16 (“The information is clearly *relevant* to Samsung’s claims.”) (emphasis added). It is beyond doubt that relevance is not the test for an implied waiver of the attorney-client and work-product privileges.

The case law makes clear that the privilege for communications is not implicitly waived if they are simply *relevant* to issues raised in the litigation. *See, e.g., Frontier Ref., Inc. v. Gorman-Rupp Co.*, 136 F.3d 695, 701 (10th Cir. 1998) (“Mere relevance . . . is not the standard articulated in *Hearn*.”). Instead, the information must also be “vital,” which necessarily implies that the information is not available from another source. *See Amlani*, 169 F.3d at 1195 (9th Cir. 1999) (“When the sought-after evidence is ‘only one of several forms of indirect evidence about an issue,’ the privilege has not been waived); *cf. Home Indem. Co.*, 43 F.3d at 1326-27 (concluding that no implied waiver occurred when unavailability of privileged material would not prejudice the requesting party’s defense). In order for information to be “vital,” real prejudice must occur in its absence; the privileged materials cannot be merely helpful to the requesting party. *See, e.g., Cox v. Adm’r U.S. Steel & Carnegie*, 17 F.3d 1386, 1418 (11th Cir. 1994)

(declining to find an implied waiver when plaintiffs “failed to explain how they have been prejudiced”); *Remington Arms Co. v. Liberty Mut. Ins. Co.*, 142 F.R.D. 408, 415 (D. Del. 1992) (holding that the “Court cannot justify finding a waiver of privileged information merely to provide the opposing party information helpful to its cross-examination or because information is relevant”).

The Order stated that the privileged documents are “vital” to Rambus’s case, Order at 15, 16, but failed to provide any demonstrative analysis. Invocation of the implied-waiver doctrine requires a showing that the information is not available from other sources, and the Special Master conspicuously failed to support the Order with a determination that the information sought by Rambus is not otherwise available (despite Rambus’s control of Steinberg and the availability of prior testimony), leaving the Order with an unsupportable dependence only on the Order’s recognition of “relevance.” As discussed, *see supra* Section I, the Steinberg-claims are at an insufficient stage of development to perform the necessary substantiating analysis for implied waiver. This is particularly apparent in relation to the requirement that the privileged material be “vital” to the requesting party before a waiver may be implied. For example, prior to depositions of Joel Karp and Steinberg, it is premature to suggest that the privileged documents are “vital” to Rambus’s defense. Rambus certainly has not demonstrated that the information that it seeks is otherwise unavailable, and given the stage of discovery and the sequence of the various phases of this litigation, it cannot make such an assertion at this point. *See, e.g., Zenith Radio Corp. v. United States*, 764 F.2d 1577, 1580 (Fed. Cir. 1985) (no waiver because “[i]f the views of the parties to or the drafters of the settlement agreements are pertinent to the resolution of that legal issue . . . Zenith has not given any convincing reason why it could not obtain that information by deposing those individuals”). In *Frontier Refining, Inc. v. Gorman-Rupp Co.*, the Tenth Circuit reversed an implied waiver on the basis that the “vital” factor was not established because other sources of evidence were available and the district court “hinged its conclusion that the information was ‘necessary’ to its conclusion that the information was ‘relevant.’” 36 F.3d at 701. The Order should be reversed for this reason as well.

1 **IV. THE SPECIAL MASTER ERRED BY FAILING TO NARROWLY TAILOR ANY IMPLIED**  
 2 **WAIVER, AND INSTEAD DEEMING A TOTAL WAIVER OF SAMSUNG'S WORK-PRODUCT**  
 3 **AND ATTORNEY-CLIENT PRIVILEGES.**

4 Despite the command that courts "must impose a waiver no broader than needed to ensure  
 5 the fairness of the proceedings before it," *Bittaker*, 331 F.3d at 720; *see also supra* Section I, the  
 6 Special Master failed to closely tailor the ordered production and failed to conduct an *in camera*  
 7 review to ensure that the parameters of the implied waiver were appropriately narrow. This  
 8 error also requires reversal.

9 **A. The Special Master Erred by Failing to Sharply Limit the Very Broad**  
 10 **Production Requested by Rambus.**

11 The Special Master failed to include any analysis of the necessary scope of a waiver after  
 12 determining to recognize an implied waiver. The case law limits any production ordered as a  
 13 result of an implied waiver of privilege, and any mandated loss of privilege must be closely tied  
 14 to the elements of the relevant claim or defense. *See, e.g., Bittaker*, 331 F.3d at 720; *Conkling*,  
 15 883 F.2d at 435 (limiting production of privileged materials to question of timing of discovery of  
 16 alleged fraud by party's attorney); *In re Imperial Corp. of Am.*, 179 F.R.D. at 290 (explaining that  
 17 implied waiver does not constitute a "wholesale waiver" and limiting production of privileged  
 18 materials to (1) when attorneys became aware of facts which should have put them on notice that  
 19 a cause of action could be validly stated; and (2) the specific facts which would have put the  
 20 involved attorneys on notice) (citation omitted); *Titan Corp.*, 1994 WL 16001739, at \*4  
 21 (limiting discovery of privileged materials to timing of attorney's communications regarding  
 22 fraud and specifics of the information).

23 Rambus requested "any and all documents . . . that discuss, refer, or relate to . . . Mr.  
 24 Steinberg's work for Rambus." Rambus's Mem. at 1. Rambus's request is overly broad on its  
 25 face and is not tailored to the elements of equitable tolling and the discovery rule for which  
 26 Rambus purportedly seeks the privileged materials. Any production of privileged materials  
 27 regarding Samsung's knowledge of Steinberg's work for Rambus should have been limited to  
 28 materials tied to the elements of the limitations bars. Rambus's request for privileged materials  
 concerning Steinberg's work for Rambus is also impermissibly broad, and the Special Master



erred in simply accepting that request. Rambus requests all materials that refer or relate to “the work Mr. Steinberg performed for Samsung that purportedly gave him access to the information Samsung claims he later misused at Rambus.” *Id.* This request is impermissibly far-reaching and invasive of Samsung’s proprietary and confidential information, and the Special Master failed to offer any analysis of the appropriate limits of an implied waiver. The Special Master should have narrowed Rambus’s request for privileged materials regarding Steinberg’s work for Samsung. Any production of privileged materials regarding Steinberg’s work for Samsung that is mandated should be narrowly limited to more specific descriptions of the type of work conducted by Steinberg, but not the actual work itself.

**B. The Special Master Erred in Failing to Conduct an *in Camera* Review Prior to Ordering the Production of Any Privileged Documents.**

Part and parcel of the Special Master’s failure to consider the limits of any implied waiver was the failure to conduct an *in camera* review to determine which of the 300-plus documents subject to the Order actually fall within any waiver. *See* Ex. []. Rambus has never claimed that all of these documents are relevant, even under Rambus’s unsupportable theory of implied waiver. The Special Master should have given proper regard to the protections of the attorney-client and work-product protections by reviewing and deciding which of the documents actually fell within any implied waiver by determining their relevance to the subject of the implied waiver. *See, e.g., Genentech, Inc. v. Insmid Inc.*, 234 F.R.D. 667, 671-72 (N.D. Cal. 2006) (“If actual production is ordered following *in camera* review, it is narrowly tailored as the waiver is ‘narrowly construed.’”) (citation omitted); *Starsight Telecast, Inc. v. Gemstar Dev. Corp.*, 158 F.R.D. 650, 654-56 (N.D. Cal. 1994) (rejecting an expansive waiver after conducting *in camera* review and concluding that attorney-client privilege was waived for particular documents referring to prior art and not waived for others because they did not fall within the relevant subject matter). For this independent reason, the objections to the Order should be sustained.

**CONCLUSION**

For these reasons, the Court should sustain the objections, and reverse and vacate the Special Master’s order.



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3  
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